

# Consolidated profit and loss account

For the year ended 31 March	Notes	2003 £m	2002 £m
<b>Turnover</b>			
Continuing operations		4,258	4,623
Discontinued operations		760	2,349
	1	5,018	6,972
<b>Operating profit before exceptional items, goodwill amortisation and goodwill impairment</b>			
Continuing operations		250	312
Discontinued operations		80	237
	1	330	549
<b>Operating exceptional items</b>			
Restructuring costs	2	(119)	(223)
Market related write downs	2	–	(76)
	1	(119)	(299)
<b>Operating profit before goodwill amortisation and goodwill impairment</b>		211	250
Goodwill amortisation	1	(122)	(124)
Goodwill impairment	2	(585)	–
<b>Operating (loss)/profit</b>		(496)	126
<b>Share of operating profits of associated undertakings</b>			
Discontinued operations	7	–	2
<b>Total operating (loss)/profit</b>			
Continuing operations	3	(572)	(63)
Discontinued operations	3	76	191
	3	(496)	128
<b>Corporate exceptional items</b>			
Fundamental reorganisation costs	2	–	(172)
Costs of closure	2	(29)	(45)
Loss on sale of fixed assets	2	(12)	(34)
Loss on disposal of operations	2	(741)	(565)
<b>Loss on ordinary activities before interest and taxation</b>	1	(1,278)	(688)
Net interest payable and similar charges	8	(113)	(170)
<b>Loss on ordinary activities before taxation</b>	4	(1,391)	(858)
Tax on loss on ordinary activities	9	(57)	(9)
<b>Loss on ordinary activities after taxation</b>		(1,448)	(867)
Minority interests – equity		6	(2)
<b>Loss for the financial year</b>	24	(1,442)	(869)
Dividends	11	(35)	(70)
<b>Retained loss for the financial year</b>		(1,477)	(939)
<b>Loss per share (basic and diluted)</b>	12	(41.2)p	(24.8)p
<b>Earnings per share (continuing operations before exceptional items, goodwill amortisation and goodwill impairment)</b>	12	2.2p	2.8p
<b>Average exchange rates for the year</b>			
US\$ to £1		1.54	1.43
Euro to £1		1.56	1.62
Yen to £1		188.14	179.68

The results for the financial year have been translated into sterling at the appropriate average exchange rates.

# Consolidated balance sheet

At 31 March	Notes	2003 £m	2002 £m
<b>Fixed assets</b>			
Intangible assets – goodwill	13	746	1,512
Tangible assets	14	880	1,515
Investments in associated undertakings	15	4	14
Other investments	15	30	59
		<b>1,660</b>	<b>3,100</b>
<b>Current assets</b>			
Stocks	16	489	824
Debtors: amounts falling due within one year	17	1,054	1,490
Debtors: amounts falling due after more than one year	17	529	510
Investments	15	31	33
Cash and short-term deposits	28	365	506
		<b>2,468</b>	<b>3,363</b>
Creditors: amounts falling due within one year			
Short-term borrowings	18	(136)	(1,066)
Other creditors	18	(1,483)	(1,748)
		<b>(1,619)</b>	<b>(2,814)</b>
<b>Net current assets</b>		<b>849</b>	<b>549</b>
<b>Total assets less current liabilities</b>		<b>2,509</b>	<b>3,649</b>
Creditors: amounts falling due after more than one year			
Long-term borrowings	19	(1,785)	(2,456)
Other creditors	19	(84)	(117)
		<b>(1,869)</b>	<b>(2,573)</b>
Provisions for liabilities and charges	22	(557)	(686)
	1	<b>83</b>	<b>390</b>
<b>Capital and reserves</b>			
Called up share capital	23	875	875
Share premium account	24	15	15
Capital redemption reserve	24	83	83
Capital reserve	24	2,047	210
Exchange variation reserve	24	(501)	(417)
Profit and loss account	24	(2,622)	(622)
<b>Shareholders' (deficit)/funds – equity</b>		<b>(103)</b>	<b>144</b>
<b>Minority interests – including non-equity</b>	25	<b>186</b>	<b>246</b>
		<b>83</b>	<b>390</b>

These accounts were approved by the directors on 28 May 2003 and are signed on their behalf by:

**Lord Marshall of Knightsbridge**  
Chairman

**R N Haythornthwaite**  
Chief Executive

**A N Hennah**  
Chief Financial Officer

## Year end exchange rates

US\$ to £1	1.58	1.42
Euro to £1	1.45	1.63
Yen to £1	187.43	188.73

The balance sheet has been translated into sterling at appropriate year end exchange rates.

## Consolidated cash flow statement

For the year ended 31 March	Notes	2003 £m	2002 £m
Net cash inflow from operating activities	28	<b>210</b>	536
Returns on investments and servicing of finance	28	<b>(115)</b>	(170)
Taxation	28	<b>(62)</b>	(43)
Capital expenditure and financial investment	28	<b>(76)</b>	(129)
Acquisitions and disposals	28	<b>1,446</b>	209
Equity dividends paid		<b>(71)</b>	(217)
Cash inflow before use of liquid resources and financing		<b>1,332</b>	186
Management of liquid resources	28	<b>69</b>	(104)
Financing			
Decrease in debt	28	<b>(1,417)</b>	–
<b>(Decrease)/increase in cash in year</b>		<b>(16)</b>	82

## Reconciliation of net cash flow to movement in net debt

For the year ended 31 March	Notes	2003 £m	2002 £m
(Decrease)/increase in cash in year		<b>(16)</b>	82
Cash outflow from decrease in debt	28	<b>1,417</b>	–
Cash (inflow)/outflow from (decrease)/increase in liquid resources	28	<b>(69)</b>	104
Change in net debt resulting from cash flows	28	<b>1,332</b>	186
Short-term deposits, loans and finance leases acquired/divested in respect of the acquisition/disposal of subsidiary undertakings	28	<b>15</b>	2
New finance leases	28	–	(1)
Exchange movements	28	<b>113</b>	15
Movement in net debt in year		<b>1,460</b>	202
Net debt at beginning of year	28	<b>(3,016)</b>	(3,218)
Net debt at end of year	28	<b>(1,556)</b>	(3,016)

## Consolidated statement of total recognised gains and losses

For the year ended 31 March	Notes	2003 £m	2002 £m
Loss for the financial year	24	<b>(1,442)</b>	(869)
Currency translation differences on foreign currency net investments, net of tax	24	<b>17</b>	(52)
FRS 19 restatement		<b>–</b>	(137)
<b>Total recognised losses since last annual report</b>		<b>(1,425)</b>	(1,058)

## Reconciliation of movements in consolidated shareholders' funds

For the year ended 31 March	Notes	2003 £m	2002 £m
Loss for the financial year	24	<b>(1,442)</b>	(869)
Dividends	11	<b>(35)</b>	(70)
		<b>(1,477)</b>	(939)
Currency translation differences on foreign currency net investments, net of tax	24	<b>17</b>	(52)
Goodwill written back on disposals	24	<b>1,213</b>	447
		<b>(247)</b>	(544)
Opening shareholders' funds		<b>144</b>	688
<b>Closing shareholders' (deficit)/funds</b>		<b>(103)</b>	144

# Company balance sheet

At 31 March	Notes	2003 £m	2002 £m
<b>Fixed assets</b>			
Tangible assets	14	–	2
Investments	15	<b>4,505</b>	8,739
		<b>4,505</b>	8,741
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	<b>11,973</b>	12,459
Debtors: amounts falling due after more than one year	17	<b>2</b>	2
Cash and short-term deposits		<b>16</b>	119
		<b>11,991</b>	12,580
Creditors: amounts falling due within one year			
Short-term borrowings	18	<b>(316)</b>	(852)
Other creditors	18	<b>(11,436)</b>	(11,382)
		<b>(11,752)</b>	(12,234)
<b>Net current assets</b>		<b>239</b>	346
<b>Total assets less current liabilities</b>		<b>4,744</b>	9,087
Creditors: amounts falling due after more than one year			
Long-term borrowings	19	<b>(1,741)</b>	(2,353)
Other creditors	19	<b>(995)</b>	(497)
		<b>(2,736)</b>	(2,850)
		<b>2,008</b>	6,237
<b>Capital and reserves</b>			
Called up share capital	23	<b>875</b>	875
Share premium account	24	<b>15</b>	15
Capital redemption reserve	24	<b>83</b>	83
Merger reserve	24	<b>927</b>	4,984
Profit and loss account	24	<b>108</b>	280
<b>Shareholders' funds – equity</b>		<b>2,008</b>	6,237

These accounts were approved by the directors on 28 May 2003 and are signed on their behalf by:

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